CHAPTER – I

INTRODUCTION

Handloom industry which comes under the textile industry, plays a significant role in the development of our economy. It is agro-based and labour intensive. The potential for exports of handloom products is very high. The word ‘Handloom’ derives its meaning from the weaving process of operation on country wooden manual device called ‘Loom’. The basic principle of weaving in a handloom is similar to any other weaving technology such as powerlooms and shuttleless looms. Handlooms are capable of producing a wide range of products.

Nowadays globally the demand for handloom products is ever increasing because of increase in population and standard of living which always call for efficient production techniques.

Similarly, industrialization in the developed world also leads to higher labour cost. Both these factors contributed to the weaving technologies which were able to produce costly fabric with very low labour component. At present the western countries are the major buyers of the handloom products most of which are produced by the developing countries which, due to the advantage of low labour costs, selected intermediate weaving technologies to optimize the production of fabric on a larger scale. Even in the developing countries, the labour cost had increased to a large extent that it became unviable to use obsolete weaving technology. Production on handlooms in the developing countries is now limited to a cottage industry scale where self-employed individuals manufacture products. If it is on a commercial scale, the operation will simply lead to higher labour costs, rendering production infeasible. The success of handloom sector lies in product differentiation and fetching a premium price for higher quality exclusively.
HANDLOOM INDUSTRY IN INDIA

In Indian economy, next to agriculture, handloom industry which comes under the cottage industry plays a dominant role. The origin of handloom industry to our country dates back to several centuries. Though the handloom industry is a traditional one, it has a long historical background and a living legacy of unrivalled craftsmanship particularly the Indian made silk and its products which had found market and popularity through length and breadth of the world. Particularly in India, the handloom industry has been the major cottage industry. In spite of the growth of the mill sector and factory system in India, the handloom industry has come through shoulder-to-shoulder competition entirely due to its own distinct features and indigenous methods with artistic-skill and craftsmanship. It is unique in its individuality and in the production of quality goods which maintain their own identity. For example, the silk sarees and the bumper sarees have uniqueness in terms of craftsmanship and finishing which cannot be claimed by any other industry.

Moreover, the range of Indian handloom product is very high. This added advantage enables export of handloom to different regions and different nations. Among the very vide range of products of handloom sector, silk products are occupying the first place in production and export of sales. Current share of the handloom industry to our GDP is more than 20%. This eventually gives the benefit of earning foreign exchange which is highly required for a country like ours.
IMPORTANCE OF SILK HANDLOOM PRODUCTS

Right from the beginning the silk industry has a vital importance among the public because of many reasons viz:

- People consider that wearing a silk product shows “STATUS SYMBOL” in the society.
- Silk is as valued as gold.
- In all religious functions the requirement of silk is inevitable.
- It has demand all over the world.

All these factors urged the Indian handloom artisans to invent new technology and design in producing silk products. Though the origin of handloom industry in India was very early, our government has started to take more care only from the 20th century. Originally the handloom silk industry was considered an industrial Co-operative and came under the group of Industrial Co-operatives.

STATUS OF SILK HANDLOOM INDUSTRY IN TAMILNADU

Handloom industry in India is the most important, ancient, traditional cottage industry which provides employment to a large number of people in rural areas and semi-urban areas. Handloom industry in Tamilnadu plays an important role in improving economic conditions of the rural poor by providing employment for more than 4.29 lakh-weaver-households and about 11.64 lakh weavers. In Tamilnadu, 2.11 lakh handlooms functioned in 1247 Handloom Weavers Co-operative Societies as on 28.02.2005 and the remaining looms were outside the Co-operative fold. Out of 1247 Handloom Weavers’ Co-operative Societies, 1169 were Cotton Weavers’ Co-operative Societies and the remaining 78 were Silk Weavers’ Co-operative Societies. The Handloom Weavers’ Co-operative Societies mostly exist in rural and semi-urban areas where there is large
concentration of handloom weavers. All the development and welfare schemes implemented by the Government of India are channelized through the Weavers’ Co-operative Societies.

The Handloom Weavers Co-operative Societies produced 1083.26 lakh metres of Handloom cloth valued at Rs.559.72 crores and sold handloom goods to the extent of Rs.696.58 crores during the year 2004-05 (till 28.02.2005) over the sales made during the year 2003-04. The number of Handloom Weavers’ Co-operative Societies working on profit was increased from 527 during the year 2003-04 to 601 during the year 2004-05 (up to 28.02.2005). Marketing is the major factor for the performance of the Handloom Weavers’ Co-operative Societies. To capture the consumer market, the production of marketable/exportable varieties have been encouraged by the Department and suitable action plans have been given to the Handloom Weavers Co-operative Societies depending upon the market trend, in order to increase the sales. It has been programmed to adopt new marketing strategies by infusing more number of designs during the year 2005-06, so as to improve the sale of handloom fabrics.

STATUS OF HANDLOOM SILK INDUSTRY IN THANJAVUR DISTRICT.

The present research study was conducted with special reference to handloom silk industry in Thanjavur District of Tamilnadu State. This District stands next to Kancheepuram in silk weaving trade both in the value of production and volume of sales. Further, viewed from the Co-operative Sector this District stands next to Kancheepuram in its number of Silk Handloom Societies registered under Cooperative Societies Act of Government of Tamilnadu.

Though weaving is undertaken as a main occupation in all parts of the District, it is mostly concentrated in 4 Taluks, that is, Thanjavur, Papanasam, Kumbakonam and Thiruvidaimaruthur
Taluks. Of these four taluks, silk weaving is more popular in the last two taluks.

In this District, handloom weaving is undertaken. There is no powerloom here as in Salem and Coimbatore Districts of Tamilnadu State. Weaving both cotton fabrics and silk fabrics is undertaken in Thanjavur District. But in all aspects, silk weaving out-numbers cotton weaving in this District. This point is substantiated from the information agencies of The Assistant Directorate of Handlooms and Textiles, Tamilnadu.

There are 78 Weavers Silk Handloom Cooperative Societies in Tamilnadu registered under Cooperative Societies Act of Tamilnadu, out of which, 16 Societies and about 8,000 looms function in this District and there were 20,000 workers depending on the sector, according to sources collected in the field survey. There are many problems faced by the people engaged in this silk trade. They are fluctuations in the cost of raw materials, low increase in the prices of handloom silk sarees, wages without any revision, loss of purchasing power and stiff competition among the Silk Cooperative Societies and private manufacturers engaged in silk trade. As a result, weavers in the producing centres in the Districts such as Kumbakonam, Thirubuvanam and Thanjavur find it very hard to maintain themselves. They are largely engaged in the production of six-yard silk sarees. Due to these reasons many weaving societies have become defunct.

These problems highly induced the researcher to undergo a study about the future marketing opportunities for silk products in this District.

In addition to all the above said problems, the reason for selecting this area for the study is that the researcher also belongs to the same District (Thirubuvanam village is the native place of the
researcher) and he is also from a weaving family. Parents of the researcher are engaged in silk weaving. The family has been engaged in the manufacturing of silk products for more than four decades and that too in the same District. Further the researcher himself knows 75% of silk saree weaving which was learnt from his parents while assisting them in weaving. Therefore the researcher knows almost all the nook and corner of the silk trade and so he has chosen the topic and the area.

OBJECTIVES OF THE STUDY

The overall objective of the present study is to analyse the working of the silk industry in Co-operative and Private Sectors in Thanjavur District in general and the functions of production and marketing of silk textile products in particular and also to study about the operational efficiency of each sector. To attain the overall objective, the following specific objectives are taken into consideration.

1. To highlight the aspects relating to value of production, and different channels adopted for marketing the silk products
2. To deal with the production process, pattern and cost of production in detail
3. To assess the existing demand for silk products and to explore the possibilities for the scope of expansion of this industry
4. To evaluate the marketing performance of the sectors involved in the silk trade
5. To throw light on the vital role played by Co-optex in marketing the silk textile products manufactured by Co-operative Silk Societies
6. To study the socio-economic study of consumer and their influence in the purchase of silk sarees
7. To find out specific problems encountered by the silk industry in marketing the silk products and present suitable suggestions.
SCOPE OF THE STUDY

The study covers the production and marketing aspects of silk weaving industry both in Private and Co-operative Sectors in Thanjavur District. A comparative study of various aspects in both these Sectors is made in order to find out the efficiency of each Sector in respect of production, marketing, organization and functioning. The problems faced by this industry in general and by the Silk Weavers’ Societies and Private Manufacturers in particular are discussed individually and remedial measures to overcome the problems and suggestions for improvement are given at the end of the study. Various statistical tools have been used to find out the marketing efficiencies of societies and private manufacturers.

In a nutshell, the scope of the study is to analyse the marketing of silk products in Thanjavur District under Co-operative Sector and Private Sector particularly with respect to the aspects of production, sales turnover and future opportunities.

It is noted from the field study that nearly 90 percent of the total output in silk goods is only in the form of silk sarees and the remaining 10 percent is in the form of other silk goods like silk Dhoties, Skirts, Blouse pieces etc. Since the silk sarees constitute a major share in the total output of silk goods, the study about the production and sale of silk goods mainly centres upon silk sarees.
METHODOLOGY

The information for the present study was obtained from both the primary data and secondary data. Primary data were collected through separate questionnaires intended for Silk Weavers Co-operative Societies and Private Manufacturers. Personal interviews were conducted with the officials of the Societies and the private manufacturers to secure first-hand information. The consumers were individually interviewed through a separate questionnaire to study the demand aspect and to analyse the future demand for silk textile products. This consumer's opinion survey is to encourage the buyers to talk freely and frankly on the cost aspect and about their likings for various aspects of silk goods.

The secondary data were collected from the records, annual reports and other documentary materials maintained by both Central and State Governments and from the records and registers maintained by the private manufacturers and through Internet.

There are 16 Societies engaged in manufacturing silk textile products in Co-operative Sector in this District. All these 16 Societies are taken for study for presenting a comprehensive, organic and fair view of the total population in the Co-operative Sector.

The Primary Silk Weavers Co-operative Societies deal with both production and sale of silk goods. So they are christened as, “The Silk Weavers’ Co-operative Production and Sales Society”. Here after, these Societies are referred as, Co-operative Silk Weavers’ Society’ with the specific name of each Society prefixed to it.

Pertaining to private sector in silk trade in this District, there are more than 100 private manufacturers and out of them 20 manufacturers are selected at random from Thanjavur, Kumbakonam,
Thiruvaidaimaruthur Ammapet and Thirrubhuvanam Taluks where the private manufacturers of silk goods are large in number.

**Statistical techniques used**

In this study, statistical techniques like random sampling, trend series, co-efficient of correlation, rank correlation, Chi-Square, One Way ANOVA and percentages are employed for processing the data. In computing the cost of production, the various costs with their function-wise involvement are taken into account. With the help of extrapolation and trend analysis, the scope for expansion is interpreted.

**Justification for using the above said statistical techniques**

1. Random sampling: Customers are infinite in number. So using the simple random sampling method, 200 customers were interviewed and their opinions obtained.

2. There were 16 Societies functioning in the District. 100% data were collected and used for the analysis.

3. There were about 50 private manufacturers engaged in silk industry. They were scattered all over the District. Hence, simple random sampling method was used. 20 private manufacturers were interviewed and their opinions were used for analysis.

4. Trend – series: This is the most appropriate tool which will enable to forecast the future demand and production.

5. Co-efficient of Correlation: This enables to find out the relationship between sales and production of various societies and manufacturers engaged in silk industry in this District.

6. Rank Correlation: This is used to compare the priority of the major influencing factors which threaten societies and manufacturers.
7. ANOVA test: This tool, an analysis of variance, is applied to compare the past ten years of mean production and sales of various societies as well as private manufacturers.

8. Chi-Square test: This technique is used to study the relationship between various factors influencing the socio economic status of customers and demand for silk products.

9. Average and percentage analyses have also been used.

**TEST OF HYPOTHESES**

The following hypotheses were formulated based on the collected information.

**Cooperative silk handloom societies**

1. There is significant difference between the mean sales of different channels of societies.

2. There is significant difference between the mean sales of various societies.

3. There is no significant difference between mean costs of production of various societies.

4. Value of production and cost of raw materials are positively correlated

5. There is significant difference between the mean productions of various societies.

6. Most of the societies’ production and sales are positively correlated
Private Manufacturers

7. There is significant difference between the mean sales of different channels of private manufacturers.

8. There is no significant difference between mean costs of production of various private manufacturers.

9. The mean productions of various private manufacturers are significant.

10. The sales of various manufacturers are significant.

11. Production and sales of various manufacturers are positively correlated.

Consumer Analysis

12. There is no association between consumers’ marital status and interest in silk sarees.

13. Married women respondents are highly willing to purchase handloom silk sarees.

14. Economic status of the respondents and the demand for silk products are mutually dependent.

15. Consumers are indifferent in choosing the silk products between silk co-operative societies and private manufacturers.

16. Professionals are often purchasing silk sarees with compared with other categories of people.
Period of the study

The study spreads over a period of 10 years commencing from 1999 (1999-2008). An in-depth study about the working of both the Silk Weavers Co-operative Societies and the private manufacturers in silk trade is made for the period mentioned above in order to draw out a comparative picture related to the cost of production, method of selling, channels adopted, marketing costs, turn over, marketing efficiency, profits earned and the problems in the silk trade.

LIMITATIONS OF THE STUDY

This study is related to and covers only production and marketing aspects of silk textile industry and does not touch the financial and other aspects of the manufacturers both in Private and Co-operative Sectors.

Similarly the study does not bring within its ambit the labour problems (The labourers are weavers who are members in societies and weavers employed under private manufacturers) which are as commonly found in this industry as in other trade and industries. The study does not deal with the managerial aspect as it is away from the purview of the study.

CHAPTER SCHEME

The report of the research study is presented in seven chapters as detailed below.

CHAPTER I

INTRODUCTION

This Chapter indicates the present status and performance of the Silk Handloom Cooperative Societies in Thanjavur District. The profile of Thanjavur District, reason for the selection of the area and the silk products marketing field, objectives, scope of the study, period of study, hypotheses, limitations of the study, methodology, statistical tools applied and the justification of the same are the points discussed in this Chapter.
CHAPTER II

AN ANALYSIS OF SILK INDUSTRY IN INDIA

This Chapter begins with a discussion of the global scenario in the handloom industry in relation to that in India. This is followed by a bird’s-eye view of the history of the silk industry. The discussion then moves on to the status of the silk industry in Tamilnadu in general and Thanjavur District in particular. The study then discusses the raw materials required and various kinds of workers involved in the industry. The thesis then tries to trace the growth of Handloom Weavers Co-operative Societies in Tamilnadu and the role of the Co-optex in the industry.

CHAPTER III

REVIEW OF LITERATURE

Previous studies related to the silk industry as well as the handloom industry in various centres undertaken on different aspects are reviewed and analysed. While this review of literature serves as the starting point and backdrop for the present study, the researcher could identify some gaps in the previous researches. A review of the various methodologies and tools used in previous studies is also attempted. The chapter ends establishing the rationale behind the present study.

CHAPTER IV

FUNCTIONING OF THE SILK HANDLOOM COOPERATIVE SOCEITIES IN THANJAVUR DISTRICT

Data analysis of the registered Silk Co-operative Societies in Thanjavur District in relation to current status of production, sales, turn over, future market opportunities, etc, for the silk products. This is done by applying various statistical tools like correlation, Chi-Square Test, One-Way ANOVA, etc,
CHAPTER V

ROLE OF PRIVATE MANUFACTURERS IN MARKETING OF SILK HANDLOOM PRODUCTS IN THANJAVUR DISTRICT

Data analysis of private manufacturers engaged in silk production and marketing in Thanjavur District is attempted in this Chapter. In addition to the discussion of the role played by the private manufacturers, a comparison of the role of private manufacturers vis-a-vis that of Silk Co-operative Societies is also attempted.

CHAPTER VI

AN ANALYSIS OF EXPECTATIONS AND BEHAVIOUR OF CONSUMERS OF SILK PRODUCTS

An analysis of the opinions collected from customers of silk handloom products is done and conclusions arrived at in this Chapter. The researcher finds a correlation between the demand for the silk products and the socio-economic status of the customers.

CHAPTER VII

CONCLUSION

From the above analyses, the researcher has identified the marketing position of silk products in Thanjavur District. Many findings have been arrived at by the application of statistical tools. Finally, various suggestions for the sustenance and the expansion of silk market in Thanjavur District by the Societies and private manufacturers are also offered.